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TAGS: BB ECON ETRD PGOV PINR PREL XL

SUBJECT: AMBASSADOR OURISMAN'S MEETING WITH BARBADOS DPM
MOTTLEY

REF: BRIDGETOWN 632

Classified By: AMBASSADOR MARY M. OURISMAN FOR REASONS 1.4 (B) AND (D).

¶1. (C) Summary: In a May 30 introductory meeting with Ambassador Mary Ourisman, Barbados' Deputy Prime Minister and Minister of Economic Affairs and Development, Mia Mottley, thanked the United States for its assistance during Cricket World Cup and looked forward to further cooperation in the areas of security and commerce. She discussed her possible participation in the Americas Competitiveness Forum in Atlanta and plans for meetings in Washington. Ambassador Ourisman raised with DPM Mottley problems faced by U.S. companies in the Barbadian market and other bilateral issues. Mottley assured the Ambassador that Barbados was committed to creating a welcoming business environment and was seeking additional investment, especially in the manufacturing sector. End Summary.

Cricket World Cup Legacy

¶2. (SBU) Barbados' Deputy Prime Minister and Minister of Economic Affairs and Development, Mia Amor Mottley, began her first official meeting with Ambassador Ourisman by formally thanking her for the generous U.S. assistance during Cricket World Cup (CWC). Mottley, who chaired the regional committee on Cricket World Cup (CWC) security, appears likely to remain engaged in current CARICOM efforts to implement on a permanent basis some of the CWC-related border security measures, such as the Single Domestic Space and the Joint Regional Communication Centre. Mottley attended the recent meeting of CARICOM Ministers responsible for National Security, where they decided to submit to the CARICOM Heads of Government, who will meet in July in Barbados, the plan for a permanent Single Domestic Space. In her view, "the region was finally buying into it," with "it" being the effort to use the CWC security measures as a catalyst to advance the region's integration efforts, especially in the area of security.

Caribbean Regional Maritime Agreement

¶3. (SBU) Mottley also noted that the region is pushing forward cooperation under the Caribbean Regional Maritime Agreement (CRMA), but that the region would need assistance from the United States and other donors, including the United Kingdom and the Netherlands. She clarified that Barbados and Trinidad/Tobago were not requesting any assistance and "would take care of themselves," but smaller islands like Antigua/Barbuda and St. Kitts/Nevis were still "exposed." Adding that the matter had been discussed during the recent CARICOM National Security ministerial, Mottley thought it would likely be raised during the June Conference on the Caribbean in Washington. (Note: Barbados Attorney General Dale Marshall also raised CRMA assistance with Ambassador Ourisman during their May 11 meeting. See reftel. The CRMA is a 2003 agreement that covers boarding rights during counter-narcotics operations. In response to the original USG demarche on CRMA, several but not all CARICOM member states drafted a list of desired equipment as a signing quid pro quo. End Note.)

Upcoming Conferences and Mottley's Hill Agenda

¶4. (SBU) In response to the Ambassador's question whether Mottley would travel to Atlanta for the June 10-13 Americas Competitiveness Forum (ACF), Mottley said she was considering it and would more than likely accept the invitation. She thought she would be able to travel because Barbados, unlike Jamaica, was not yet in "high election alert." Mottley expressed her hope that the ACF would be structured in such a way so that the "Caribbean region would not get swallowed up by the Latins," as is usually the case in other fora. The Ambassador reassured her by noting that Secretary Gutierrez

was planning to meet with the CARICOM representatives separately, and the ACF would include a panel on business opportunities in the CARICOM region. In the event that she would attend the ACF, Mottley asked for assistance in arranging a brief conversation with Treasury Secretary Paulson regarding Barbados' lack of access to World Bank and Inter-American Development Bank loans. According to Mottley, Barbados still needs access to concessional development finance.

¶5. (SBU) Prior to visiting Atlanta, Mottley hopes to pay a round of calls in Washington, specifically focusing on meetings in Congress regarding the recently proposed "Stop Tax Haven Abuse Act." She said it was unfortunate that Barbados had to wage another battle against being labeled as a tax haven, noting that Barbados had been taken off the OECD list of tax havens years earlier. She hoped that her meetings would help lower what she termed the "information deficit on the Hill" concerning this issue.

¶6. (SBU) Mottley said that she was unlikely to attend the Conference on the Caribbean in Washington. Current plans have PM Arthur and FM Miller leading the Barbadian delegation. In addition to mentioning the CRMA assistance request, Mottley also thought that CARICOM may raise criminal deportees as an issue for the Conference. She clarified that Barbados has never seen deportees as a problem, and said that Barbados would continue to be "laid back" about it. However, Jamaica, Trinidad/Tobago, and Guyana were making a strong push within CARICOM to place this issue on the June agenda and have prepared studies on the subject. While Mottley did not provide any other specifics on possible agenda items for the June Conference, she did express a hope that the United States and CARICOM could rebalance their dialogue so that it would encompass more than just security.

Doing Business in Barbados

¶7. (SBU) In response to the Ambassador's question regarding the ongoing dispute between the U.S.-owned TeleBarbados and

Cable & Wireless, Mottley acknowledged that she was aware of the matter, but had not seen the Ambassador's May 25 letter. Like other Barbadian officials, she claimed that her Ministry had "no jurisdiction in that matter. It is between the FTC (Fair Trading Commission) and the courts." She added that she would try to stay engaged, but did not offer any specific steps she would take. In her view, the key to resolving this and any other problems in the Barbadian telecommunications sector was the second phase of the government's telecommunication liberalization, which is currently in a preparatory stage. Mottley expected the government to complete its consultations with the industry and produce new legislation over the next two months.

¶18. (SBU) The Ambassador also brought to Mottley's attention complaints from other companies, both U.S. and local, about high port charges, as well as costly and cumbersome customs regulations. Mottley stated that the Barbadian government was committed to resolving these problems and had already established a ministerial committee, which included her as well as other ministers with economic portfolios, to consider how to reform the Barbadian customs. She thought that the government would be able to implement the reforms over the next 18 months. With regard to the Bridgetown port, she said that those problems would not be "easy to unlock because the port is the last bastion of union power." (Note: Mottley is correct that the unions have a firm grip over the Bridgetown port's labor force. When necessary, the unions are not afraid to exercise this power, and inevitably, they get what they want. For example, they shut down the port only days before the start of the Cricket World Cup, and the government along with the port management quickly capitulated on the unions' demands. End Note.)

¶19. (SBU) Despite the problems faced by TeleBarbados and other U.S. investors, Mottley spoke at length about her efforts to position Barbados as a good place to invest and do business. She recently presented Barbados' new industrial policy in the Parliament, in which the government identified attracting additional foreign investment as a key challenge for the country. Since assuming her role as Minister of Economic Affairs and Development in early 2006, Mottley has spoken frequently about Barbados' need to grow its manufacturing sector, and the new industrial policy sets the ambitious target of doubling Barbados' exports over the next five years. Mottley thought that reaching the target would be possible if Barbados could attract at least two sizable investments from abroad. Her vision for Barbados' economy also includes the country's growing network of tax and investment treaties, which she hopes will enable investors to use Barbados as a springboard for onward investment to other markets. She noted that Barbados has been especially successful in attracting Canadian companies, which enjoy substantial tax savings by operating out of Barbados.

Preclearance Facility for Barbados

¶10. (SBU) Another way Barbados would like to boost its economic performance is by increasing tourism, especially from the United States. Mottley renewed her government's earlier request for a DHS/ICE preclearance facility at the Bridgetown airport. She termed the proposed facility a gesture of "tremendous good will" and argued that it would ease pressure off U.S. ports of entry. While Mottley viewed the facility as "one of the little things that can help us become more sufficient and a regional travel hub," DCM Gilroy countered that this was a complex undertaking for the U.S. government and something that we have implemented only in places with much higher passenger traffic.

Confiscated Weapons

¶11. (C) Ambassador Ourisman inquired into the case of a

consignment of weapons which had been seized by Barbados Customs in 2006 due to inadequate advance notification by the United States. The weapons had been procured under the Foreign Military Financing (FMF) program for St. Lucia and Dominica. Ambassador Ourisman stressed that the Embassy now has in place proper procedures to preclude future problems. Mottley was familiar with the situation, and promised to raise the matter with Foreign Minister Miller.

Comment

¶12. (C) Mottley is among the most active and visible members of PM Arthur's cabinet. Her leadership and management credentials are recognized not only in Barbados, but across the region as evidenced by her appointment as the chair of the regional committee on Cricket World Cup security. Until recently, she was viewed as the unquestioned heir apparent to PM Arthur. However, the February 2006 cabinet reshuffle saw Mottley lose the important Attorney General and Home Affairs portfolio and assume the position of Deputy Prime Minister and Minister of Economic Affairs and Development. Some commentators have viewed this change as a demotion for Mottley and as a sign that PM Arthur was seeking to sideline her by putting her in charge of the economic portfolio, in which she had no prior experience or interest. Many also took PM Arthur's decision last fall to seek a fourth term, despite earlier signals that he was preparing to retire, as a confirmation that PM Arthur and the ruling Barbados Labour Party (BLP) leadership were no longer prepared to see Mottley take over the BLP reins.

¶13. (C) Former Senator Philip Goddard, an excellent contact of the Embassy, recently confirmed to the DCM in a private conversation that internal BLP leadership is absolutely determined that Mottley would not lead the party, should they be returned to power in the next elections. According to Goddard, senior BLP officials believe that Mottley's personal life makes her an unacceptable choice to lead the party and the nation. Mottley is widely believed to be gay,

and while that does not seem to have hindered her career, Goddard clarified that it was her episodes of physical violence that lost her support among the BLP kingmakers. This information has not surfaced publicly and has not been confirmed. However, in mid-May, one of Barbados' dailies, The Nation, reported that Mottley had submitted her resignation from cabinet because of her disagreements with PM Arthur. The Nation went on to say that PM Arthur refused to accept her resignation. Mottley later vehemently denied this report.

¶14. (C) At 41, Mottley is among the youngest members of PM Arthur's cabinet. She is also probably the most capable and articulate. Nevertheless, Goddard's claims, if true, coupled with Mottley's abrasiveness and overconfidence, which are unlikely to have won her many friends within the BLP, could bring her promising political career to an end. While that would leave the BLP without an apparent successor to PM Arthur, the BLP's leadership may have calculated that they will have sufficient time to find an appropriate replacement during PM Arthur's fourth term, which it is widely believed he will win in the next election.

OURISMAN